

DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION

FINANCIAL SUMMARY

	FY 2003 EXPENDITURE	FY 2004 APPROPRIATION	FY 2005 REQUEST	GOVERNOR RECOMMENDS FY 2005
General Administration	\$ 3,642,371,382	\$ 3,660,173,178	\$ 4,470,664,570	\$ 3,788,855,918
School Improvement/Teacher				
Quality and Urban Education	304,484,938	405,062,352	409,355,428	405,348,509
Vocational Rehabilitation	167,511,875	172,152,358	176,943,039	177,450,711
Vocational and Adult Education	55,324,035	73,989,777	74,464,144	74,514,253
Special Education	192,563,328	237,009,675	265,768,817	263,676,384
Board Operated School Programs	1,078,749	1,555,000	1,555,000	1,555,000
Missouri Occupational Information				
Coordinating Committee	176,498	0	0	0
Commission for the Deaf	366,695	479,291	479,291	481,430
DEPARTMENTAL TOTAL	\$ 4,363,877,500	\$ 4,550,421,631 *	\$ 5,399,230,289	\$ 4,711,882,205
General Revenue Fund	248,600,534	232,266,887	231,917,896	220,410,358
Federal Funds	725,455,637	927,318,630	961,179,621	949,361,696
School District Bond Fund**	3,903,927	450,000	450,000	450,000
Certification of Interpreters Fund	91,927	125,000	125,000	125,000
Independent Living Center Fund	201,782	590,556	590,556	590,556
Outstanding Schools Trust Fund***	490,573,874	394,401,353	394,375,841	396,200,000
Bingo Proceeds for Education Fund	1,707,166	1,707,167	1,707,167	1,707,167
Lottery Proceeds Fund	112,114,564	121,134,277	121,134,277	131,221,887
First Step Fund	0	0	0	6,000,000
VIDEO Fund	37,500	0	0	0
State School Moneys Fund****	2,039,858,447	2,128,889,689	2,932,484,566	2,250,545,226
Handicapped Children's Trust Fund	0	30,000	30,000	30,000
Excellence in Education Fund	1,557,159	2,929,210	2,929,210	2,934,161
Fair Share Fund	22,986,529	23,225,250	22,500,001	22,500,000
School District Trust Fund	653,890,774	693,947,458	706,400,000	706,400,000
Missouri Commission for the Deaf				
and Hard of Hearing Fund	0	50,000	50,000	50,000
State Public School Fund	37,399,291	0	0	0
Early Childhood Development,				
Education and Care Fund	24,419,640	21,831,154	21,831,154	21,831,154
School for the Blind Trust Fund	1,078,749	1,500,000	1,500,000	1,500,000
School for the Deaf Trust Fund	0	25,000	25,000	25,000
Full-time equivalent employees	1,968.13	2,020.28	1,975.15	1,975.15

* Does not include \$25,158,271 recommended in the Fiscal Year 2004 Supplemental Appropriations, including \$8,877,783 general revenue. See the Supplemental section of the Missouri Budget for details regarding the Department of Elementary and Secondary Education supplemental appropriations.

** The school district bond fund received the following transfers from the gaming proceeds for education fund: \$2,271,458 in Fiscal Year 2003 expenditure, \$450,000 in Fiscal Year 2004 appropriation, and \$450,000 in Governor recommends for Fiscal Year 2005.

*** The outstanding schools trust fund received the following transfers from general revenue: \$421,300,000 in Fiscal Year 2003 expenditures, \$394,400,000 in Fiscal Year 2004 appropriation, and \$396,200,000 in Governor recommends for Fiscal Year 2005.

**** The state school moneys fund received the following transfers from general revenue: \$1,598,436,351 in Fiscal Year 2003 expenditures, \$1,837,494,202 in Fiscal Year 2004 appropriation, and \$1,833,498,014 in Governor recommends for Fiscal Year 2005.

DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION

POLICY SUMMARY

Governor Holden's budget for Fiscal Year 2005 provides \$4.7 billion for the Department of Elementary and Secondary Education. The department provides services for the 524 Missouri school districts. The core functions provided by the Department of Elementary and Secondary Education include:

- Administering educational policies of the state and supervising instruction in the public schools.
- Distributing school funding, including the Foundation Program, Proposition C, Fair Share, County Foreign, and state and federal grant programs.
- Granting certificates of qualification and licenses to teach in the public schools of the state.
- Providing vocational rehabilitation services to Missourians with disabilities to help them obtain employment.

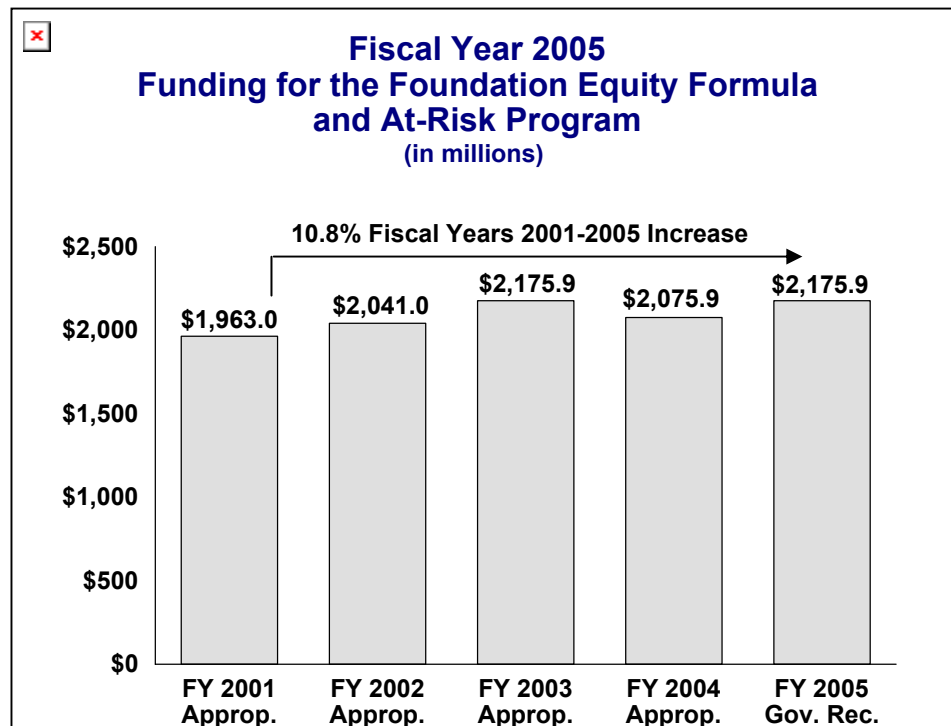
Enhancing Equity for School Children

Governor Holden understands the critical importance of providing adequate and equitable funding for our state's public schools. The General Assembly, however, made drastic cuts to funding for elementary and secondary education in the Fiscal Year 2004 budget. The Governor believes cutting education will seriously harm the state economy, and his Fiscal Year 2005 budget restores the money the General Assembly cut as follows:

- \$100 million for the foundation equity formula and At-Risk Program, increasing total funding to \$2.2 billion.
- \$9.9 million for the Transportation Program, bringing total state funding to \$162.1 million.
- \$2.4 million for the Parents As Teachers Program, bringing total state funding to \$30.3 million.
- \$1.5 million for the Gifted Program, bringing total state funding to \$24.9 million.
- \$800,000 for the Vocational Education Program, bringing total state funding to \$52.9 million.

In addition to restoring the reductions to the Foundation Program, the Governor's Fiscal Year 2005 budget includes the following increase:

- \$20.7 million for Early Childhood Special Education for educational services provided to three- and four-year-old children with disabilities, bringing total state funding to \$102 million.



DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION

POLICY SUMMARY (Continued)

Ensuring Accountability and Innovation

- Outstanding Schools Waivers – no cost. Schools that consistently perform at exemplary levels in the statewide assessment system will be granted Outstanding Schools Waivers. These waivers of rules and regulations promote flexibility and innovation in the operations of the school, encourage efficiency, and promote school-centered decision making.
- Priority Schools – funding included in the foundation formula. Schools that repeatedly fail to provide their students with an adequate education may be declared priority schools. Funds will be made available through a portion of one percent of the foundation formula funding set aside to address statewide areas of critical need to help these schools improve student achievement.
- Professional Development and Training for Educators – one percent of a school district's foundation formula money is allocated for professional development for teachers. Also, an additional one percent of the total foundation formula appropriation will be targeted to statewide areas of critical need.

STATE AID TO LOCAL SCHOOL DISTRICTS (Not Including Desegregation)

	FY 2004 <u>APPROPRIATION</u>	FY 2005 <u>RECOMMENDATION</u>
School Foundation Program		
Equity Formula and At-Risk	\$ 2,075,857,670	\$ 2,175,891,721
Transportation	152,167,319	162,067,713
Gifted	23,415,942	24,870,104
Special Education	149,617,982	149,617,982
Remedial Reading	11,096,925	11,096,925
Early Childhood Special Education	81,274,784	102,011,209
Career Ladder	37,297,656	35,526,150
Vocational Education	52,080,428	52,880,428
Parents As Teachers	27,895,976	30,304,651
Subtotal Foundation Program	\$ 2,610,704,682	\$ 2,744,266,883
Other State Aid		
A+ Schools Program	\$ 12,609,960	\$ 12,609,960
Adult Literacy	500,000	500,000
Safe Schools Grants	5,122,368	4,122,368
Proposition C Sales Tax	693,947,458	706,400,000
Fair Share Cigarette Tax	23,225,250	22,500,000
Free Textbook Fund	89,650,000	73,950,000
School Food Program	3,460,219	3,487,799
Early Childhood Program	16,545,112	16,545,112
DSS/DMH School Placements	10,099,337	10,099,337
Subtotal Other State Aid	\$ 855,159,704	\$ 850,214,576
Total State Aid to Local Schools	\$ 3,465,864,386	\$ 3,594,481,459

Direct State Aid to Local Schools

Proposition C: The Governor recommends \$12.5 million for Proposition C sales tax revenue.

Special Education: The Governor recommends \$20 million federal funds for special education services mandated by federal law. This funding will provide grants to local school districts to support services for students with disabilities.

Title I: The Governor recommends \$15 million federal funds to increase the Reading First Grant Program. This grant program will provide resources to school districts for teacher professional development with the focus on reading instruction.

DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION

POLICY SUMMARY (Continued)

After School Programming: The Governor recommends \$5 million federal funds for after school programs. This funding provides local competitive grants to school districts and community-based organizations to establish or enhance after school programs. Quality after school programs provide drug and violence prevention training, technology education, art and music instruction, counseling, and character education to enhance the academic component of the programs.

Gaming Revenues For Education

Lottery Proceeds for Education: During Fiscal Year 2005, \$206.7 million is projected to be available from lottery revenues. Of this amount, \$131.2 million will support programs in the Department of Elementary and Secondary Education. More information about lottery funds can be found in the Higher Education section of the Missouri Budget.

Riverboat Gaming Proceeds for Education: All riverboat gaming proceeds in excess of the amount transferred to the school district bond fund must be transferred by law to the state school moneys fund for the foundation formula. For Fiscal Year 2005, the Governor recommends transferring \$450,000 in gaming proceeds to the school district bond fund for use by the Missouri Health and Education Facilities Authority (MOHEFA) to pay costs associated with credit enhancement. The Governor recommends that the remaining \$355.7 million be transferred to the state school moneys fund.

Increased Funds for Missourians with Disabilities

Personal Care Assistance: The Governor recommends \$8 million, including \$2.9 million general revenue, for the Personal Care Assistance Program for Medicaid-eligible Missourians. The program allows individuals with disabilities to receive services in their homes rather than in a nursing home. This will provide services to an additional 1,500 disabled Missourians.

First Steps: The Governor recommends \$8.8 million, including \$2.8 million general revenue, to provide early intervention services for developmentally delayed infants. This will provide services to 221 new developmentally delayed infants.

Improving Efficiency

Missouri has always been a low tax state and has, therefore, provided only essential services at a very low cost. The state's already low tax level combined with two consecutive years of declining revenue have led to significant reductions in many programs. However, under Governor Holden's leadership, state agencies have minimized the negative impact on services by dramatically reducing administrative costs and by developing ways to provide remaining services in the most efficient manner possible.

The Department of Elementary and Secondary Education has aggressively improved the services it provides and reduced administrative costs by:

- Eliminating 20 contracted bus routes for the State Schools for the Severely Handicapped. This resulted in a redirection of \$1 million of savings to services for children attending these state operated schools.
- Consolidating administrative functions throughout the department resulting in a reduction of \$472,523 and 14 staff.
- Utilizing electronic communication for collecting and distributing information. This resulted in savings of \$130,262 for printing.
- Decreasing mailing costs by \$118,858, despite the fact that during the same period the postage rate has increased three times.

In addition to cost-cutting measures already implemented, the Department of Elementary and Secondary Education plans to:

- Increase the use and effectiveness of electronic communication to collect and distribute information. By taking advantage of electronic communication, information can be delivered instantly and printing and mailing costs decreased.

Cuts Already Made

The Department of Elementary and Secondary Education has worked to minimize the impact of reduced funding on services. However, the department's funding for services has been cut in recent years.

- The school Foundation Program was reduced by \$115.8 million. Since a significant percentage of the Foundation Program supports teacher salaries, school districts were forced to eliminate 2,001 classroom teachers and aides. An additional 508 positions were also reduced, including principals, supervisors, library/media personnel, guidance personnel, and administrative staff.
- Reductions to the school Foundation Program have forced school districts to increase class sizes and eliminate programs for gifted, at-risk, and disruptive students.

DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION

POLICY SUMMARY (Continued)

- New technology grants to schools were reduced by \$8.8 million, a 42 percent decrease. This resulted in markedly reduced grants to school districts for purchase of computers, software, and Internet connections.
- The Safe Schools Program was cut by \$2 million, resulting in no first-year grants for school districts. The loss of funding has forced many school districts to eliminate programs to educate disruptive and/or violent children in alternative settings. As a result, these students will again be placed in regular classrooms, making learning more difficult for all children.
- The A+ Schools Program was reduced by \$5.9 million, resulting in students no longer receiving reimbursement for textbooks.
- The Missouri Assessment Program was reduced by \$4.4 million, resulting in the state not being able to administer the Science, Social Studies, and Health/Physical Education assessments. Without these assessments, the department is unable to determine how well students are performing statewide in these important subject areas.

PERFORMANCE MEASURES

Some performance measures the Department of Elementary and Secondary Education uses to evaluate student achievement follow:

	2001	2002	2003
Percent of students scoring at or above the targeted skill level			
-4th grade math	38%	38%	37%
-8th grade math	15%	14%	14%
-10th grade math	13%	11%	12%
-3rd grade science	46%	48%	48%
-7th grade science	14%	14%	15%
-10th grade science	9%	5%	6%
-3rd grade communication arts	32%	35%	34%
-7th grade communication arts	34%	32%	32%
-11th grade communication arts	23%	24%	22%
-4th grade social studies	42%	40%	42%
-8th grade social studies	42%	42%	40%
-11th grade social studies	20%	16%	18%
-5th grade health-physical education	43%	55%	N/A
-9th grade health-physical education	39%	24%	N/A
Average annual dropout rate among Missouri public school students, grades 9-12	4.3%	3.7%	3.5%
Graduation rate among Missouri public high school students	81.4%	82.4%	83.9%
Percent of 18-year-olds with a high school diploma or GED	87.7%	89.8%	89.5%
Average ACT scores of Missouri high school graduates	21.4	21.5	21.4
Percent of vocational education graduates continuing their education or employed	93.31%	93.78%	N/A

A key performance measure the Department of Elementary and Secondary Education uses to evaluate early childhood care and education follows:

	2001	2002	2003
*Percent of children with average or above average school readiness skills	79%	N/A	75%

- * The Missouri School Entry Assessment was conducted for the first time during the 1998-1999 school year. The assessment is based on a statewide sample of kindergarten students and provides important information about what children entering Missouri's public kindergartens know and can do, as well as their preschool experiences.

**DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION
GENERAL ADMINISTRATION**

FINANCIAL SUMMARY

	FY 2003 EXPENDITURE	FY 2004 APPROPRIATION	GOVERNOR RECOMMENDS FY 2005
Administrative and Financial Services	\$ 6,396,204	\$ 11,198,982	\$ 9,733,685
State Public School Fund	37,399,291	0	0
Court-Ordered Payments	20,000,000	16,500,000	15,000,000
School Foundation Program Distribution	2,671,605,839	2,658,066,081	2,793,102,565
Early Grade Literacy/Professional Development	542,500	500,000	500,000
School Food Services	142,211,330	151,635,407	164,719,668
Fair Share Distribution	22,986,529	23,225,250	22,500,000
School District Trust Fund Distribution	653,890,774	693,947,458	706,400,000
County Foreign Insurance Tax	83,046,650	89,650,000	73,950,000
School District Bond Program	3,903,927	450,000	450,000
Federal Grants and Donations	388,338	15,000,000	2,500,000
TOTAL	\$ 3,642,371,382	\$ 3,660,173,178	\$ 3,788,855,918
General Revenue Fund	151,918,223	154,911,075	138,188,246
Federal Funds	143,524,743	171,792,456	171,903,581
Bingo Proceeds for Education Fund	1,707,166	1,707,167	1,707,167
Lottery Proceeds for Education Fund	88,487,684	89,048,877	99,136,487
Other Funds	3,256,733,566	3,242,713,603	3,377,920,437
Full-time equivalent employees	1,001.07	986.22	979.09

ADMINISTRATIVE AND FINANCIAL SERVICES

The Department of Elementary and Secondary Education is supervised by the State Board of Education, which consists of eight members appointed for eight-year terms by the Governor with the advice and consent of the Senate. The board appoints the Commissioner of Education as its chief administrative officer.

The Division of Administrative and Financial Services consists of all internal and external business functions of the department. It is responsible for distributing all federal and state funds to local school districts and other agencies. The external areas consist of the school finance, school food services, school governance, and facilities sections. The internal business areas consist of accounting and procurement, human resources, budget, research and planning, printing and publications, mail services, information technology, and telecommunications.

Fiscal Year 2005 Governor's Recommendations

- \$78,563 for pay plan, including \$50,724 general revenue.
- (\$1,543,860) and (one) staff in core reduction from the Fiscal Year 2004 appropriation level, including (\$43,860) general revenue.

COURT-ORDERED PAYMENTS

Court supervision of the St. Louis and Kansas City school districts ended in 1999. State desegregation payments in the Kansas City case ended in Fiscal Year 1999 pursuant to a settlement in 1997. With passage of SB 781 in 1998, local voter approval of matching funds in February 1999, and court approval in March 1999, St. Louis desegregation operating budget payments were ended in Fiscal Year 1999, while transfer costs and capital improvement payments will be phased out. Fiscal Year 2001 payments totaled \$50 million, with \$25 million for voluntary transfer costs and \$25 million for capital costs. The Fiscal Year 2002 and Fiscal Year 2003 budgets included \$20 million for capital outlays in St. Louis. The Fiscal Year 2004 budget included \$16.5 million for capital outlays in St. Louis, while the Fiscal Year 2005 budget includes \$15 million for capital outlays in St. Louis. As these payments phase out, savings will be redirected to the school foundation formula for the benefit of school districts across the state.

Fiscal Year 2005 Governor's Recommendations

- (\$1,500,000) reallocated to the foundation formula.

DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION

GENERAL ADMINISTRATION (Continued)

FINANCIAL SUMMARY

	FY 2003 EXPENDITURE	FY 2004 APPROPRIATION	GOVERNOR RECOMMENDS FY 2005
Teachers Participating in the Career Ladder Program	17,101	17,412	17,625
Early Childhood Development Screenings	141,212	55,600	141,212
Families Served by Parent Education	157,366	133,751	133,751
Students Provided Early Childhood Special Education	10,049	10,049	10,049
Equity Formula	\$ 1,723,733,950	\$ 1,718,394,978	\$ 1,817,560,541
At-Risk Program	345,287,277	357,462,692	358,331,180
Transportation	155,962,401	152,167,319	162,067,713
Special Education	149,614,913	149,617,982	149,617,982
Remedial Reading	10,678,658	11,096,925	11,096,925
Early Childhood Special Education	69,421,995	81,274,784	102,011,209
Gifted Programs	23,932,898	23,415,942	24,870,104
Career Ladder	38,384,325	37,297,656	35,526,150
Vocational Education	52,765,428	52,080,428	52,880,428
Early Childhood Development	30,304,406	27,895,976	30,304,651
State Board Operated Schools	46,619,588	47,361,399	48,835,682
Formula Contingent Funding	24,900,000	0	0
TOTAL	\$ 2,671,605,839	\$ 2,658,066,081	\$ 2,793,102,565
General Revenue Fund	42,652,812	42,548,819	42,991,546
Federal Funds	2,259,610	3,105,413	4,136,969
Outstanding Schools Trust Fund	489,371,792	393,181,996	395,001,050
Bingo Proceeds for Education Fund	1,707,166	1,707,167	1,707,167
Lottery Proceeds Fund	88,240,365	88,792,997	98,880,607
State School Moneys Fund	2,039,726,875	2,128,729,689	2,250,385,226
Early Childhood Development, Education and Care Fund	7,647,219	0	0
Full-time equivalent employees	899.91	888.72	882.59

SCHOOL FOUNDATION PROGRAM DISTRIBUTION

The foundation formula provides equitable education funding for school children. The formula apportions money to school districts based on local effort as measured by the local property tax levy for school purposes and on local wealth. Increased local effort results in higher state funding, while increased local wealth results in lower state funding. Fully funded, the formula ensures that a one-penny levy provides the same funding to 95 percent of all students from a combination of equity formula and local property tax revenues.

In addition, the Foundation Program includes funding for eight categorical add-on programs, including programs for special needs students, transportation, special education, gifted, remedial reading, career ladder, vocational education, and early childhood development programs. Extra funding is also provided to districts based on the number of students eligible for the federal Free- and Reduced-Price Lunch Program. While the money received for this program must be spent on programs for children with special educational needs, the local school district chooses which special needs programs will be funded.

If the formula is not fully funded, then the categorical add-on programs may not be fully funded. The system protects against the equity formula being shortchanged and provides more equity in funding. The transportation add-on pays school districts up to 75 percent of the allowable costs of school bus and other transportation. The special education add-on assists districts in providing required educational services to students with disabilities. The special education add-on also includes funding for early childhood special education that serves children ages three and four. The gifted add-on provides up to 75 percent of the cost of instructor salaries and materials to provide appropriate opportunities for gifted students.

DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION

GENERAL ADMINISTRATION (Continued)

The Career Ladder Program provides an incentive to teachers, librarians, and counselors who voluntarily participate in professional development activities. The program provides for three career stages with salary supplements of up to \$1,500, \$3,000, and \$5,000. Each stage requires the teacher to obtain a higher level of professional development. This program is financed by state and local matching funds. Each district's local match is determined by its wealth, as measured by its assessed valuation per pupil, with wealthier districts paying a higher local match. In addition, teachers that complete the National Board for Professional Teaching Standards Program are automatically placed in the third career stage.

The Early Childhood Development Program authorizes state reimbursement to school districts that provide any of three programs for preschool children: 1) developmental screening to measure the progress of children and to determine problems, potential problems, or advanced abilities in understanding, use of language, sight, hearing, motor development, health, and physical development; 2) parent education to provide resource materials and guidance to parents to improve learning in the home; and 3) programs for developmentally delayed children to provide individual and group counseling and learning activities to help these children catch up with their peers before entering school.

State funding for vocational education programs serves as an incentive to public schools to offer vocational education programs. Also, some state vocational education funds are distributed to institutions of higher education, state agencies, and business establishments.

This appropriation also includes state funding for Missouri's State Board Operated Schools. This program is discussed in detail later in this budget.

Fiscal Year 2005 Governor's Recommendations

- \$94,894,057 other funds for equity.
- \$20,736,425 other funds for the Early Childhood Special Education Program.
- \$9,900,394 state school moneys fund for the Transportation Program.
- \$2,408,675 state school moneys fund for the Parents As Teachers Program.
- \$1,454,162 other funds for the Gifted Program.
- \$1,000,000 federal funds for State Board Operated Schools.
- \$868,488 state school moneys fund for the At-Risk Program.
- \$800,000 state school moneys fund for the Vocational Education Program.
- \$649,399 for pay plan, including \$617,843 general revenue.
- \$1,771,506 state school moneys fund reallocated to equity from the Career Ladder Program.
- \$1,500,000 state school moneys fund reallocated to equity from court-ordered payments.
- \$1,000,000 state school moneys fund reallocated from the Safe Schools Program.
- (\$1,771,506) state school moneys fund reallocated from the Career Ladder Program to equity.
- (\$175,116) and (6.13) staff in core reduction from the Fiscal Year 2004 appropriation level.

EARLY GRADE LITERACY PROGRAM

In addition to the professional development provided to teachers through the foundation formula, additional funding has been provided through this program to help improve early literacy teaching statewide. Funds are used to train Reading Recovery teachers across the state in order to encourage school districts to implement a Reading Recovery Program, train Early Literacy teachers who will work with small groups of at-risk students, and train teacher leaders at approved sites.

Fiscal Year 2005 Governor's Recommendations

Continue funding at the current level.

SCHOOL FOOD SERVICES

This program reimburses school districts for food services to enable them to offer nutritionally balanced, low-cost meals for school children. Federal funds, required state matching funds, local funds, and commodities donated by the U.S. Department of Agriculture minimize the meal charge to children.

Fiscal Year 2005 Governor's Recommendations

- \$13,084,261 for school food services, including \$27,580 general revenue.

DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION

GENERAL ADMINISTRATION (Continued)

FAIR SHARE DISTRIBUTION

Tax receipts from four cents per cigarette pack are deposited in the fair share fund established by Section 149.015, RSMo. Funds are distributed to elementary and secondary schools on the basis of average daily attendance of the school district.

Fiscal Year 2005 Governor's Recommendations

- (\$725,250) fair share fund core reduction from the Fiscal Year 2004 appropriation level.

SCHOOL DISTRICT TRUST FUND DISTRIBUTION

Proposition C provides a one percent sales tax for elementary and secondary education. Revenue generated by this tax is deposited in the school district trust fund and distributed based on the number of eligible pupils in each school district.

Fiscal Year 2005 Governor's Recommendations

- \$12,452,542 school district trust fund for distribution to school districts.

COUNTY FOREIGN INSURANCE TAX

The county foreign insurance tax represents the receipts of a two percent, per annum tax levied on the direct premiums of insurance companies not based in Missouri but doing business in Missouri. One-half of the net receipts of the county foreign insurance tax from the previous year are distributed by the state to school districts on the basis of the number of school children within each county pursuant to Section 148.360, RSMo.

Fiscal Year 2005 Governor's Recommendations

- (\$15,700,000) core reduction from the Fiscal Year 2004 appropriation level.

SCHOOL DISTRICT BOND PROGRAM

SB 301 (1995) created the school district bond fund for use by the Missouri Health and Education Facilities Authority to pay costs associated with school bond issues and credit enhancement. The law allows up to \$7 million per year to be transferred from the gaming proceeds for education fund to the school district bond fund.

Fiscal Year 2005 Governor's Recommendations

Continue funding at the current level.

FEDERAL GRANTS AND DONATIONS

The federal grants and donations appropriation provides authority to accept and make use of federal grants and donations that may become available during the fiscal year. The department will notify the House and Senate budget committees and the Office of Administration prior to acceptance of any new financial assistance or grants.

Fiscal Year 2005 Governor's Recommendations

- (\$12,500,000) federal funds core reduction from the Fiscal Year 2004 appropriation level.

DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION

DIVISIONS OF SCHOOL IMPROVEMENT/TEACHER QUALITY AND URBAN EDUCATION

DIVISION OF SCHOOL IMPROVEMENT

The Division of School Improvement provides consultant services to administrators and teachers in the areas of instruction and curriculum development. The division classifies and accredits school districts through the Missouri School Improvement Program. The division assists school districts in expanding or improving curriculum and instructional programs. It administers three Outstanding Schools Act programs and provides payments and local program approval for the Early Childhood Development and the Safe Schools programs. The division also assists school districts in establishing and funding gifted education programs and administers the Missouri Scholars and Fine Arts Academies. In addition, the division manages the following federal programs: Compensatory Education, Instructional Improvements Grants, Math/Science Instruction Grant, and Drug Abuse Education.

Fiscal Year 2005 Governor's Recommendations

- \$81,337 for pay plan, including \$24,866 general revenue.
- (\$51,300) and (one) staff reallocated to the Division of Teacher Quality and Urban Education.
- (\$48,956) and (one) staff in core reduction from the Fiscal Year 2004 appropriation level.

DIVISION OF TEACHER QUALITY AND URBAN EDUCATION

The Division of Teacher Quality and Urban Education contains the teacher certification, professional conduct and investigation, teacher recruitment and retention, professional development, and urban education sections. The division issues teaching certificates, conducts background checks, reviews teacher education preparation programs and provides opportunities to teachers and administrators for ongoing professional development. The division administers the National Board for Professional Teaching Standards Program, the Career Ladder Program, and teacher education assessment.

Fiscal Year 2005 Governor's Recommendations

- \$20,230 for pay plan, including \$18,502 general revenue.
- \$51,300 and one staff reallocated from the Division of School Improvement.
- (\$73,866) and (two) staff in core reduction from the Fiscal Year 2004 appropriation level, including (\$48,354) general revenue.

TITLE II, PART D - COMPUTER NETWORKING

Federal funds are available to local schools under Title II to improve student academic achievement through the use of technology in elementary and secondary schools. Funds are used to allow school districts to implement comprehensive school improvement plans through the use of technology. Priority is given to schools that serve large numbers or percentages of economically disadvantaged students and schools designated as "technology poor."

Fiscal Year 2005 Governor's Recommendations

- \$560,000 federal funds for technology grants.

TITLE I – COMPENSATORY EDUCATION

Federal funds are available to local schools under Title I for compensatory education. Entitlements are awarded to school districts, institutions for delinquents, state institutions for the disabled, and adult correctional institutions with inmates under the age of 21. The grants are used to fund programs in remedial math, language arts, and reading.

Fiscal Year 2005 Governor's Recommendations

Continue funding at the current level.

DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION

DIVISIONS OF SCHOOL IMPROVEMENT/TEACHER QUALITY AND URBAN EDUCATION (Continued)

TITLE I – READING FIRST GRANT PROGRAM

Funded through Title I, this grant program provides resources to school districts for teacher professional development focused on reading instruction. The program serves students in the primary grades and a small portion may also be used for purchasing reading materials used for instruction.

Fiscal Year 2005 Governor's Recommendations

- \$15,000,000 federal funds for the Reading First Grant Program.

FEDERAL INSTRUCTIONAL IMPROVEMENT GRANTS

Under Title VI, states receive a percentage share of the federal appropriation based on the population from ages 5 through 17 years. At least 85 percent of the funds received by a state must be passed through to local educational agencies for education reform, programs for at-risk youth, professional development, and class size reduction.

Fiscal Year 2005 Governor's Recommendations

Continue funding at the current level.

STEPHEN M. FERMAN MEMORIAL FOR EDUCATION OF THE GIFTED

Mr. Milton Ferman and Mrs. Frieda Morgan Ferman established the Stephen Morgan Ferman Memorial for Education of the Gifted. Donations were made in their son's name, and the annual income may be expended through the state school moneys fund to enhance the educational opportunities of teachers of the gifted.

Fiscal Year 2005 Governor's Recommendations

Continue funding at the current level.

MISSOURI SCHOLARS AND FINE ARTS ACADEMIES

The Missouri Scholars and Fine Arts Academies are three-week summer sessions for gifted students. The academies assist gifted students to achieve their full potential and stimulate the establishment and improvement of programs for gifted students.

Fiscal Year 2005 Governor's Recommendations

Continue funding at the current level.

EARLY CHILDHOOD PROGRAM

The Early Childhood Program provides grants to schools and community partnerships for early childhood development and education programs.

Fiscal Year 2005 Governor's Recommendations

Continue funding at the current level.

A+ SCHOOLS PROGRAM

The Outstanding Schools Act established the A+ Schools Program. A+ Schools must design programs to ensure that all students graduate from school, complete a challenging course of studies with identified learner expectations, and proceed from graduation to postsecondary education or a high-wage job. The program provides career choices and community college scholarships for students who might otherwise be unable to attend college.

Fiscal Year 2005 Governor's Recommendations

Continue funding at the current level

DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION

DIVISIONS OF SCHOOL IMPROVEMENT/TEACHER QUALITY AND URBAN EDUCATION (Continued)

STUDENT ASSESSMENT PROGRAM

The Outstanding Schools Act requires the Department of Elementary and Secondary Education to develop a statewide assessment system for districts to determine the degree to which their students are proficient in the knowledge, skills, and competencies necessary to be successful in the workplace and postsecondary education. The assessment must show what students can do as well as what they know. The Federal No Child Left Behind Act requires these assessments to be expanded to additional grade levels.

Fiscal Year 2005 Governor's Recommendations

Continue funding at the current level.

ADVANCED PLACEMENT AND DUAL CREDIT INCENTIVES

The budget includes state funds to recognize public high school students who perform at a "proficient" or "advanced" level on statewide assessments. School districts will be eligible to receive grants on behalf of eligible students. The grants will pay for courses and/or exam fees that lead to college credit for these students. Federal funds are also available to assist low-income children in taking advanced placement examinations for college credit.

Fiscal Year 2005 Governor's Recommendations

Continue funding at the current level.

TITLE II – IMPROVING TEACHER QUALITY

Funded through Title II, the federal Improving Teacher Quality Program authorizes grants to state and local education agencies for instructional improvements. School districts may use the funds to upgrade the skills and recruitment of teachers and administrators and to reduce class size.

Fiscal Year 2005 Governor's Recommendations

Continue funding at the current level.

SCHOOL RENOVATION PROGRAM

The federal School Renovation Program provides grants to states for urgent school renovation, activities authorized under the Individuals with Disabilities Education Act, technology activities related to school renovation, and charter school facility financing.

Fiscal Year 2005 Governor's Recommendations

- (\$14,252,588) federal funds core reduction from the Fiscal Year 2004 appropriation level.

SAFE AND DRUG FREE SCHOOLS GRANT

The Department of Elementary and Secondary Education is eligible, on behalf of schools or groups of schools, for federal assistance under Title IV. The objectives of this program are to establish or designate local or regional advisory councils on drug abuse prevention; to establish or augment drug abuse education and prevention programs for students; and to coordinate school-based drug abuse programs with other programs in the community and with state and local health, drug and alcohol abuse, and law enforcement agencies.

Fiscal Year 2005 Governor's Recommendations

Continue funding at the current level.

DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION

DIVISIONS OF SCHOOL IMPROVEMENT/TEACHER QUALITY AND URBAN EDUCATION (Continued)

SAFE SCHOOLS GRANTS

The Safe Schools Grant Program is designed to help school districts implement safe school strategies to meet local needs. The grants can be used to purchase devices to improve physical security; to work with local police departments to provide police officers in school buildings; to develop other programs to increase security; and to place violent, abusive, and disruptive students in alternative education settings.

Fiscal Year 2005 Governor's Recommendations

- (\$800,000) lottery proceeds fund reallocated to DSS/DMH School Placements to reflect anticipated reduced spending by schools.
- (\$200,000) reallocated to the foundation formula to reflect anticipated reduced spending by schools.

PUBLIC CHARTER SCHOOLS PROGRAM

The Public Charter Schools Program was established to provide federal financial assistance for charter schools. Federal grants are awarded for planning, program design, and initial implementation of a charter school, and state funding is provided for the statutorily required evaluation of Missouri's charter schools.

Fiscal Year 2005 Governor's Recommendations

Continue funding at the current level.

SCHOLARSHIP PROGRAM

The Scholarship Program established by the Excellence in Education Act of 1985 provides \$2,000 non-renewable scholarships to teacher education students. The department provides \$1,000 of the cost of each scholarship with \$1,000 provided by the participating college or university.

Fiscal Year 2005 Governor's Recommendations

Continue funding at the current level.

COMPREHENSIVE SCHOOL REFORM DEMONSTRATION INITIATIVE

The Comprehensive School Reform Demonstration Initiative authorizes a research-based reform program that will allow grant awards to public schools for the implementation of whole-school, research-based reforms that qualify for funding.

Fiscal Year 2005 Governor's Recommendations

Continue funding at the current level.

RURAL AND LOW-INCOME SCHOOLS

Funding through Title VI, the Federal Rural and Low-Income Schools Program, authorizes grants to rural and low-income schools for resources needed to obtain federal grants.

Fiscal Year 2005 Governor's Recommendations

Continue funding at the current level.

TITLE III – LANGUAGE ACQUISITION

Funding through Title III, the federal Language Acquisition Program, authorizes grants to ensure that children attain English proficiency.

Fiscal Year 2005 Governor's Recommendations

Continue funding at the current level.

DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION

DIVISIONS OF SCHOOL IMPROVEMENT/TEACHER QUALITY AND URBAN EDUCATION (Continued)

FEDERAL REFUGEE PROGRAM

The federal Department of Health and Human Services provides funding through the Refugee Children School Impact Grants Program to states and school districts. The funding defrays some of the costs faced by local school districts with significant numbers of refugee children.

Fiscal Year 2005 Governor's Recommendations

Continue funding at the current level.

CHARACTER EDUCATION INITIATIVE

The Character Education Initiative provides character education teacher training and resources to Missouri school districts. The training and resources will allow schools to emphasize the importance of universal values.

Fiscal Year 2005 Governor's Recommendations

Continue funding at the current level.

MISSOURI STATE ACTION FOR EDUCATION LEADERSHIP PROJECT

The Missouri State Action for Education Leadership Project is a federal grant program designed to further the recruitment, training, and retention of school principals. The grant is funded from the Wallace Readers Digest group through the Council of Chief State School Officers.

Fiscal Year 2005 Governor's Recommendations

Continue funding at the current level.

DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION

DIVISION OF VOCATIONAL REHABILITATION

The Division of Vocational Rehabilitation provides services to Missourians with disabilities to help them overcome impediments to employment. Counseling, training, and medical services are provided based on the specific needs of each client. Vocational Rehabilitation counselors evaluate each client and prepare an individual rehabilitation plan.

Fiscal Year 2005 Governor's Recommendations

- \$507,687 for pay plan, including \$6,171 general revenue.
- (\$1,453,398) and (35) staff in core reduction from the Fiscal Year 2004 appropriation level, including (\$15) general revenue.

VOCATIONAL REHABILITATION GRANT

The Vocational Rehabilitation Program provides job training, medical assistance, and other services to individuals with disabilities to help them function effectively in the job market. To be eligible for vocational rehabilitation services, a person must have a physical or mental disability that interferes with his or her ability to obtain or hold employment and have a reasonable chance of being able to work in suitable employment if appropriate services are provided.

Fiscal Year 2005 Governor's Recommendations

- \$240,106 for vocational rehabilitation grants.

DISABILITY DETERMINATIONS GRANT

The federal Social Security Administration contracts with the Department of Elementary and Secondary Education to determine whether applicants for Social Security benefits meet the necessary criteria for disabilities. The program involves purchasing extensive medical and vocational evaluations. An applicant's cost of travel to examinations is also paid from this grant. The program is funded entirely from federal funds.

Fiscal Year 2005 Governor's Recommendations

- (\$2,000,000) federal funds core reduction from the Fiscal Year 2004 appropriation level.

PERSONAL CARE ASSISTANCE

Many individuals with severe physical disabilities are confined to their homes or to institutions because they are unable to perform routine daily tasks such as bathing, dressing, and eating. The Personal Care Assistance Program provides personal attendant care to such persons to enable them to live more independently, maintain their current employment, or become employable.

Fiscal Year 2005 Governor's Recommendations

- \$8,003,958 for the Personal Care Assistance Program, including \$2,899,411 general revenue.

INDEPENDENT LIVING CENTERS

The department is authorized to establish and maintain independent living centers to ensure statewide access for the severely disabled. Centers provide disabled Missourians with self-help skills and knowledge to live more independently.

Fiscal Year 2005 Governor's Recommendations

Continue funding at the current level.

DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION

DIVISION OF VOCATIONAL REHABILITATION (Continued)

PROJECT SUCCESS GRANT

The federal program, Strategies Utilizing Collaboration for Competitive Employment and Self Sufficiency (SUCCESS), authorizes the Division of Vocational Rehabilitation to expand employment opportunities for individuals with mental or physical disabilities who receive public support. A pilot project will be developed for the Missouri Career Center located in Columbia, Missouri, with the intention to exhibit promising new strategies for replication across Missouri's 14 workforce investment regions.

Fiscal Year 2005 Governor's Recommendations

Continue funding at the current level.

DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION

DIVISION OF VOCATIONAL AND ADULT EDUCATION

The Division of Vocational and Adult Education provides individuals with services that supply the technical knowledge and skills needed to prepare for employment. The division also develops state plans for vocational and adult education and literacy that form the basis for distribution of federal and state funds to local education agencies. Other division responsibilities include reviewing and approving vocational and adult education programs operated by local education agencies, processing applications for the tests of General Educational Development (GED), and assisting with the development and implementation of skill training programs for unemployed and underemployed adults.

Fiscal Year 2005 Governor's Recommendations

- \$65,074 for pay plan, including \$24,804 general revenue.
- (\$14,965) core reduction from the Fiscal Year 2004 appropriation level.

DISTRIBUTION TO SCHOOLS

Grants are provided to educational institutions for improving vocational-technical programs. The grants may be used to provide new programs, enhance curricula, and upgrade equipment and facilities. At least 75 percent of program funding must be used for projects related to occupations with high labor market demand-to-supply ratios.

The state provides financial support to vocational programs located in public school districts, institutions of higher education, state agencies, and business establishments. Programs are designed to prepare individuals for gainful employment. The department distributes federal vocational funds and state funds to local school districts according to guidelines developed in an annual state plan for vocational education. The state and federal funds serve as an incentive to public schools to offer vocational education programs.

Since Fiscal Year 1987, new funds for area vocational schools are distributed through the "Effectiveness Index Formula," which resulted from an intensive study of vocational education completed in 1984. The formula rewards schools that provide programs with high placement rates and high labor market demand-to-supply ratios.

Fiscal Year 2005 Governor's Recommendations

- (\$5,064,693) federal funds core reduction from the Fiscal Year 2004 appropriation level.

WORKFORCE INVESTMENT ACT GRANTS

The federal Workforce Investment Act provides federal funds that can be used for skill training for 15 service delivery areas in Missouri. The service delivery areas contract with the Department of Elementary and Secondary Education to plan, implement, and administer skill-training programs. Vocational schools, community colleges, or proprietary schools conduct the actual training.

Fiscal Year 2005 Governor's Recommendations

- \$1,039,060 federal funds for Workforce Investment Act grants.
- (\$269,820) federal funds reallocated to the School Age Childcare Program.

ADULT BASIC EDUCATION

The Department of Elementary and Secondary Education works with local public schools to establish adult basic education programs. The adult basic education programs provide training in the fundamental skills of English, reading, and mathematics. To enroll in a class, a person must be 16 years of age or older, out of school, and lacking a high school diploma.

Fiscal Year 2005 Governor's Recommendations

- (\$500,000) federal funds core reduction from the Fiscal Year 2004 appropriation level.

DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION

DIVISION OF VOCATIONAL AND ADULT EDUCATION (Continued)

SPECIAL LITERACY GRANT AWARD PROGRAM

The Special Literacy Grant Award Program was established to respond to the increasing numbers of adults needing adult basic education services. A significant number of adults request services due to the mandatory participation requirements of the federal TANF/FUTURES Program.

Fiscal Year 2005 Governor's Recommendations

Continue funding at the current level.

SCHOOL-AGE CHILDCARE

The federal Childcare and Development Block Grant provides funds to house school-aged childcare programs in school buildings when they are not being used for educational classes. Program evaluation and technical assistance are provided to local schools interested in implementing school-age childcare programs. The childcare programs must be in compliance with state and local licensing laws and regulations governing care for school-aged children.

Fiscal Year 2005 Governor's Recommendations

- \$5,000,000 federal funds for School Aged Childcare Program.
- \$269,820 federal funds reallocated from Workforce Investment Act grants.

TROOPS TO TEACHERS

The Troops to Teachers Program is designed to encourage military personnel transitioning to the civilian labor force to consider teaching as a post-military career.

Fiscal Year 2005 Governor's Recommendations

Continue funding at the current level.

DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION

DIVISION OF SPECIAL EDUCATION

The Division of Special Education is responsible for state and federal special education funds for Missouri public schools. The division also administers the budgets appropriated for the State Schools for the Severely Handicapped, School for the Deaf, and School for the Blind. Staff in the division monitor local school district programs for compliance with state and federal laws. The division also provides technical assistance and distributes state funds to the extended employment sheltered workshops.

Fiscal Year 2005 Governor's Recommendations

- \$36,621 for pay plan, including \$3,870 general revenue.
- (\$421) core reduction from the Fiscal Year 2004 appropriation level.

SPECIAL EDUCATION GRANT

The Special Education Program provides federal grants to school districts to assist them in education programs and services for disabled children at the preschool, elementary, and secondary levels. The grants are used to purchase instructional and technological equipment and to purchase the services of teachers, ancillary staff, diagnostic staff, and administrators for better management of services to people with disabilities. The funds may also be used to provide in-service training for special education teachers and financial assistance to special education teachers working toward full certification.

Fiscal Year 2005 Governor's Recommendations

- \$20,000,000 federal funds for special education grants.

EXCESS COSTS/SEVERE DISABILITIES SERVICES

The Excess Costs/Severe Disabilities Services Program was established to assist school districts in providing special education services to students with severe disabilities that would otherwise attend a State Board Operated School.

Fiscal Year 2005 Governor's Recommendations

- (\$2,128,633) federal funds core reduction from the Fiscal Year 2004 appropriation level.

FIRST STEPS

First Steps is an early childhood intervention program that serves children with severe developmental delays from birth to age two.

Fiscal Year 2005 Governor's Recommendations

- \$8,773,142 for the First Steps Program, including \$2,773,142 general revenue.

DSS/DMH SCHOOL PLACEMENTS

Children in residential placements through the Department of Social Services or the Department of Mental Health often are enrolled in schools outside their home districts. The state reimburses the districts where these children attend school for certain educational services when the costs exceed the amount received from the children's domiciliary districts and regular state school payments.

Fiscal Year 2005 Governor's Recommendations

- \$800,000 lottery proceeds fund reallocated from safe schools grants.
- (\$800,000) reallocated to the foundation formula.

DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION

DIVISION OF SPECIAL EDUCATION (Continued)

OPERATING MAINTENANCE AND REPAIR

The State Board of Education operates two residential facilities, the School for the Blind in St. Louis and the School for the Deaf in Fulton, and day-school facilities – the State Schools for the Severely Handicapped located throughout the state. This program allows maintenance staff to purchase materials and supplies to perform preventive maintenance.

Fiscal Year 2005 Governor's Recommendations

Continue funding at the current level.

SHELTERED WORKSHOPS

Sheltered workshops are not-for-profit corporations that give people with disabilities a controlled working environment. Programs are designed to enable persons to progress toward normal living and develop their work capacities. A workshop is set up and operated as a business. The manager of the workshop bids on and acquires contracts for work from industries in the community. The Department of Elementary and Secondary Education assists the workshops in management, production, bidding, and pricing techniques.

Fiscal Year 2005 Governor's Recommendations

Continue funding at the current level.

READERS FOR THE BLIND

The Readers for the Blind Program provides payments of \$500 per year per blind student enrolled in elementary and secondary schools to employ readers. Blind students attending local elementary and secondary schools need reading assistance when Braille or large print materials are unavailable.

Fiscal Year 2005 Governor's Recommendations

- (\$14,000) core reduction from the Fiscal Year 2004 appropriation level.

BLIND LITERACY TASK FORCE

The Blind Literacy Task Force was established to develop goals and objectives to guide the improvement of special education, related services, vocational training, transition from school to work, rehabilitation services, independent living, and employment outcomes for blind and visually impaired students.

Fiscal Year 2005 Governor's Recommendations

Continue funding at the current level.

DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION

BOARD OPERATED SCHOOLS OPERATIONS

The Missouri School for the Deaf provides elementary and secondary education in a residential environment for deaf- or hearing-impaired students from ages 5 to 21 years. Located in Fulton, Missouri, the school provides separate facilities for primary age, intermediate age, and high school students. To be admitted to the Missouri School for the Deaf, a child must be a resident of Missouri and manifest a hearing loss that seriously limits his or her chances of success in a regular public school program. The school is tuition-free with no charge for room, board, transportation, laundry, or books. In addition to direct educational programs, the school offers extensive outreach and resource services to local educational agencies.

The Missouri School for the Blind, located in St. Louis, Missouri, offers elementary and secondary education in a residential school environment for blind or visually impaired students from ages 5 to 21. The school provides special teaching methods, materials, and curriculum needed by children with vision impairment. A program for students provides diagnosis, evaluation, individualized programming, physical therapy, occupational therapy, speech and language therapy, adaptive physical education, and audiological examinations.

State law mandates that all children in Missouri, regardless of any disabling condition, be entitled to an appropriate educational program. For students too severely disabled to be served effectively by local public schools, the Department of Elementary and Secondary Education operates 37 state schools and contracts with private non-profit agencies to provide educational services for children the state schools cannot practically serve. These schools offer day programs in basic and prevocational training with the ultimate goal of assisting students in functioning semi-independently in their homes and communities. Programs include self-care, sensory and perceptual training, language development, interpersonal relations, home-living, and functional academics. The state provides transportation for the students. State funding for the State Board Operated Schools is appropriated in the Foundation Program.

SCHOOL FOR THE DEAF TRUST FUND

The School for the Deaf Trust Fund was established by law to receive gifts and bequests from individuals who wish to assist the Missouri School for the Deaf. The funds are invested or used for program improvements and facility additions at the School for the Deaf. Some funds are specifically donated for awards to students in areas such as scholarship, character, and leadership.

Fiscal Year 2005 Governor's Recommendations

Continue funding at the current level.

SCHOOL FOR THE BLIND TRUST FUND

The School for the Blind Trust Fund was established by law to receive gifts and bequests from individuals who wish to assist the Missouri School for the Blind. The funds are invested or used for program improvements and facility additions at the School for the Blind.

Fiscal Year 2005 Governor's Recommendations

Continue funding at the current level.

STATE SCHOOLS FOR THE SEVERELY HANDICAPPED TRUST FUND

The Handicapped Children's Trust Fund was established to receive gifts and bequests from individuals who wish to assist the State Schools for the Severely Handicapped. The money in the fund is invested each year in short-term securities or used to purchase supplies, equipment, and materials used in the state schools.

Fiscal Year 2005 Governor's Recommendations

Continue funding at the current level.

DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION

COMMISSION FOR THE DEAF AND HARD OF HEARING

Section 161.400, RSMo, authorized establishment of the Missouri Commission for the Deaf and Hard of Hearing within the Department of Elementary and Secondary Education. SB 568 (1994) established a Board for Certification of Interpreters within the Commission for the Deaf. The board is responsible for certifying interpreters for the deaf prior to licensure.

Fiscal Year 2005 Governor's Recommendations

- \$4,053 for pay plan.
- (\$1,914) core reduction from the Fiscal Year 2004 appropriation level.

TRANSFER OF FUNDS TO OUTSTANDING SCHOOLS TRUST FUND

The Outstanding Schools Act (1993) provides revenues for the formula equity provisions of the act. These revenues are transferred from general revenue into the outstanding schools trust fund to pay for the initiatives in the Outstanding Schools Act.

Fiscal Year 2005 Governor's Recommendations

- Total funds to be transferred from general revenue to the outstanding schools trust fund \$ 396,200,000

	FY 2003 EXPENDITURE	FY 2004 APPROPRIATION	GOVERNOR RECOMMENDS FY 2005
General Revenue Fund	\$ 421,300,000	\$ 394,400,000	\$ 396,200,000

TRANSFER OF FUNDS TO STATE SCHOOL MONEYS FUND

Funds are transferred from general revenue and the gaming proceeds for education fund to the state school moneys fund to meet appropriation obligations.

Fiscal Year 2005 Governor's Recommendations

- Total recommended appropriation from state school moneys fund \$ 2,250,545,226
- Less amount available in state school moneys fund from gaming proceeds, gaming admission fees, the school building revolving fund, cigarette taxes, investment earnings, prior year lapse, Ferman Memorial funds, and the balance (417,047,212)
- Total funds to be transferred from general revenue to state schools moneys fund \$ 1,833,498,014
- Total funds transferred from gaming proceeds for education fund 355,650,000
- Total transferred to the state school moneys fund \$ 2,189,148,014

	FY 2003 EXPENDITURE	FY 2004 APPROPRIATION	GOVERNOR RECOMMENDS FY 2005
General Revenue Fund	\$ 1,598,436,351	\$ 1,837,494,202	\$ 1,833,498,014
Gaming Proceeds for Education Fund	<u>241,313,361</u>	<u>231,380,000</u>	<u>355,650,000</u>
TOTAL	\$ 1,839,749,712	\$ 2,068,874,202	\$ 2,189,148,014

DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION

TRANSFER OF FUNDS TO SCHOOL DISTRICT BOND FUND

SB 301 (1995) allows up to \$7 million to be transferred from the gaming proceeds for education fund to the school district bond fund for use by the Missouri Health and Education Facilities Authority to pay costs associated with school bond issues and credit enhancement.

Fiscal Year 2005 Governor's Recommendations

Continue funding at the current level.

	FY 2003 EXPENDITURE	FY 2004 APPROPRIATION	GOVERNOR RECOMMENDS FY 2005
Gaming Proceeds for Education Fund	\$ 2,271,458	\$ 450,000	\$ 450,000